## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the matter of	)	
Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers	) ) ) )	CC Docket No. 00-256
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation	) ) )	CC Docket No. 98-77
Prescribing the Authorized Rate of Return for Interstate Services of Local Exchange Carriers	) )	CC Docket No. 98-166

### REPLY OF NRTA, OPASTCO, AND USTA TO PETITIONS FOR RECONSIDERATION

### I. INTRODUCTION AND SUMMARY

The National Rural Telecom Association (NRTA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), and the United States Telecom Association (USTA) (the Associations)<sup>1</sup> submit these joint comments in response to petitions for reconsideration of the Commission's Access Charge Order for ROR carriers.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The Associations participated in the earlier phase of these proceedings as members of the Multi-Association Group (MAG) that originally requested a comprehensive resolution of issues affecting rate-of-return (ROR) regulated ILECs. The Commission decided the access, universal service and ROR issues raised by the MAG group and deferred the incentive regulation and related issues for a further rulemaking proceeding. The three Associations are participating jointly in the reconsideration and further rulemaking proceeding.

<sup>&</sup>lt;sup>2</sup> Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00-256, Second Report and Order and Further Notice of Proposed Rulemaking, FCC 01-304 (released Nov. 8, 2001) (Access Charge Order).

NRTA is an association of incumbent local exchange carriers (ILECs) that obtain financing under Rural Utilities Service (RUS) and Rural Telephone Bank (RTB) programs. OPASTCO is a trade association representing over 500 small ILECs serving rural areas of the United States. All of the members of both associations are rural telephone companies as defined in 47 U.S.C. §153(37). USTA represents more than 1,200 telecommunications companies worldwide that provide a full array of voice, data, and video services over wireline and wireless networks.

The Associations oppose the baseless reconsideration demands of the Competitive

Universal Service Coalition (CUSC).<sup>3</sup> First, CUSC's proposal to disallow limited Subscriber

Line Charge (SLC) deaveraging and Interstate Common Line Support (ICLS) disaggregation

rests upon the mistaken assumption that ROR ILECs would be capable of manipulating these
tools in order to thwart competition. If an ILEC misallocated support or deaveraged SLCs in any
portion of its service area, it would only serve as an arbitrage opportunity for competitors.

Second, CUSC does not support its call for the imposition of a cap on the new ICLS mechanism
with any facts to show why the fund would be excessive. The Commission correctly explained
its decision not to impose a cap, and CUSC has not provided any new information that would
justify reconsideration of the issue. Third, CUSC's argument that Long Term Support (LTS)
funding should be immediately terminated upon the availability of ICLS funding would unduly
circumvent the Commission's ongoing proceeding regarding the continuation of LTS. The
Commission's decision to retain LTS until at least July 2003 rests on valid policy grounds and
CUSC offers only the same rejected arguments that it made as part of the MAG proceeding.

The Associations also oppose the petition filed by the Rural Consumer Choice (RCC)

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<sup>&</sup>lt;sup>3</sup> CUSC includes a number of diverse wireless and wireline competitive carriers (and their trade associations) that provide universal service or are considering doing so.

Coalition.<sup>4</sup> The Coalition's proposal to fund the difference between rural and non-rural traffic sensitive access rates through a new universal service mechanism has already been rejected by the Commission, based on the sound economic principle that rural ILECs' legitimate traffic sensitive costs should not be reduced to below-cost levels. To support these costs through universal service, merely to facilitate interexchange carriers' (IXC) geographic toll rate averaging obligations, would result in unlawful, excessive support that would burden ratepayers nationwide. Additionally, the RCC Coalition's argument for reallocating to common line the portion of the Transport Interconnection Charge (TIC) that the Access Charge Order reassigned to local switching has no merit. Just because the price cap carriers agreed to such an allocation as part of the CALLS proposal does not mean that it would be appropriate for ROR carriers.

The Associations support CenturyTel's request for a delay in the implementation of the Access Charge Order's reallocation of line-side port and TIC costs in states that require carriers to "mirror" the interstate charges for their intrastate access charges. This assumes that the National Exchange Carrier Association (NECA) can coordinate implementation to avoid harm for pool members. Mirroring would significantly reduce carriers' intrastate revenues and therefore the states need time to consider these impacts and adjust their policies where necessary. Finally, with regard to the requests for reconsideration of the portability rules for ICLS, made by the National Telephone Cooperative Association (NTCA) and the Western Alliance, the Associations call on the Commission to initiate a separate proceeding to address the important issues surrounding the existing portability rules for all universal service mechanisms.

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<sup>&</sup>lt;sup>4</sup> The RCC Coalition consists of: AT&T, General Communications, Inc., and Western Wireless Corporation.

## II. THE FCC SHOULD REJECT THE CUSC'S CHALLENGE TO SLC AND ACCESS SUPPORT DISAGGREGATION

CUSC (pp. 3-6) urges the Commission to repeal its permission for limited SLC deaveraging and ICLS disaggregation by ROR ILECs under the same rules already proposed by the Rural Task Force (RTF) and the Universal Service Joint Board and adopted by the Commission with respect to other ILEC high-cost support. CUSC's sole reason is the unsupported speculation that the ILECs will manipulate their deaveraging and disaggregation and deter competitive entry. CUSC's conclusory gaming charges ignore marketplace realities: If an ILEC assigns support to any portion of its service area that exceeds the costs of serving that portion, it provides an arbitrage opportunity and incentive for competitors to enter that area to obtain excess support payments. Shorn of its rhetoric about "anti-competitive abuses," CUSC's complaint boils down to disappointment (1) that access disaggregation is intended to "enhance the competitiveness of rate-of-return carriers by giving them important pricing flexibility. and (2) that support disaggregation might interfere with its members' ability to select markets where they can reap windfall profits from support designed to "create 'competition'" – support that is not remotely related to its members' own costs or responsibilities. The Commission said that

<sup>&</sup>lt;sup>5</sup> CUSC also states (p. 6) that it is trying to have those rules repealed in the universal service proceeding, which is, of course, beyond the scope of this proceeding. However, CUSC attaches its petition for reconsideration to the universal service decision to its petition here. The disaggregation rules CUSC describes in attacking SLC disaggregation as conferring "virtually unfettered rights" were negotiated by the RTF, with the participation of a representative of CUSC's founding member, Western Wireless. Moreover, each of the disaggregation methods provides for state changes sua sponte or upon petition from a disgruntled competitive eligible telecommunications carrier (CETC). Thus, CUSC has adequate opportunities to challenge and seek changes.

<sup>&</sup>lt;sup>6</sup> Access Charge Order, ¶15.

<sup>&</sup>lt;sup>7</sup> In contrast to CUSC's speculation about abuses, in adopting the universal service disaggregation proposals, the Commission concluded that the RTF provisions for disaggregation and targeting of high-cost support would "facilitate competitive entry into high-cost areas, bringing the benefits of competition to consumers in rural areas." Access Charge Order, ¶27. Moreover, contrary to CUSC's suggestion that the rules are not strict enough, the Commission's rules deliberately include the "limitations and safeguards" the CALLS decision imposes on the price cap companies, but allow for the diversity of ROR ILECs.

bringing prices closer to costs would increase efficiency, reduce implicit support, and "therefore promote[] competition in both urban and rural areas."

Even if there were a problem, CUSC's suggested changes miss the mark. First, its demand that the Commission require disaggregation for eligible telecommunications carrier (ETC) designation purposes whenever disaggregation is used for support or SLCs contravenes §214(e)(5) of the 1996 Act. That statutory provision requires Joint Board involvement in any CETC service area determination in a rural carrier's study area. Second, CUSC's demand that CETCs should have "the same right as ILECs to initiate study area disaggregation" is absurd. Each ILEC is the best judge of the distribution of costs within its service area. A CUSC member can seek state review if it believes there are abuses. If the CETCs want to tailor support zones to their cost distribution and the areas they serve, they should support ILECs in urging determination of CETC support based on CETCs' own costs. Their concerns with how the ILECs will disaggregate may actually reflect the enormous differences between wireline and wireless carriers' network and cost configurations. One would not expect a wireless carrier's costs for an essentially loopless network to vary in the same geographic patterns and amounts as wireline carriers' costs. Third, notwithstanding CUSC's criticism of the RTF-negotiated rules, the three disaggregation methods were carefully designed to align the amount of ILEC supportzoning flexibility with the difficulty of the justification process "in order to address the significant diversity among rate-of-return carriers."9

In any event, CUSC has not added anything to the empty claims it is already pursuing on

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<sup>&</sup>lt;sup>8</sup> Access Charge Order, ¶58.

<sup>&</sup>lt;sup>9</sup> *Id.*, ¶15.

reconsideration in the universal service proceeding. The Commission should give no weight to its complaints here.

### III. THE FCC SHOULD REJECT CUSC'S DEMAND TO CAP ICLS

CUSC contends (pp. 6-8) that the Commission should cap the new ICLS mechanism to prevent excessive support. It asserts that providing explicit support to recover the costs that would have been recovered via implicit support in access charges "is at odds with the underlying purpose of the Act, which is to ensure that consumers in rural and high-cost areas realize the benefits of competition." CUSC's claim is not bolstered by any facts to indicate why the fund will be excessive, although it alludes darkly (p. 7) to theoretical notions about regulatory incentives. It seems to concede in footnote 10, noting that it plans to raise these points in its comments on the Further Notice of Proposed Rulemaking, that even these vague concerns are more germane in the incentive regulation phase of the MAG proceeding. The assertion (p.7) about "the Act's underlying purposes" also significantly misreads the Act. Even a cursory reading of §§251(f), 253(e) and 214(e) demonstrates that the Act's "underlying purpose" was not to create competition in rural areas at all costs, as CUSC would have it. Rather, Congress sought to ensure that consumers in rural and high-cost areas would benefit from competition when competition would be beneficial, but not otherwise. Indeed, although CUSC claims that replacing implicit support with explicit support to prevent revenue losses for rural ILECs dooms competition, Chairman Powell concluded that the combination of access charge changes and universal service support "should enable incumbent carriers and competitors to compete on an equal footing in rural areas and increase incentives for long distance carriers to compete for customers in rural areas."10

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<sup>&</sup>lt;sup>10</sup> Id., Separate Statement of Chairman Michael K. Powell, p. 2.

The Commission thoroughly considered the capping issue and carefully explained its decision not to adopt a cap. It stated that "the new, uncapped support mechanism that we create will provide certainty and stability by ensuring that the rate structure modifications we adopt do not affect overall recovery of interstate access costs." It did not undertake the "difficult, controversial" task of quantifying "the amount of implicit support," which is especially difficult "for rate-of-return carriers, given their size, diversity, and regulatory history." Instead, it took a "cautious approach which rationalizes the access rate structure and converts identifiable implicit subsidies to explicit support, without endangering this important revenue stream for rate-ofreturn carriers." The Commission also emphasized the importance of creating an environment that would encourage ROR ILECs to invest in rural infrastructure during the five-year term of the plan and avoiding "pressures for certain rate-of-return carriers to reduce service quality, increase local rates, or limit service offerings." All in all, the Commission found that the record and the characteristics of rural service justified its choice as "a fair, reasonable balance among the policies of the 1996 Act." Should there be any real evidence that the costconstrained support mechanism is excessive, as opposed to conclusory allegations such as CUSC's, the Commission can always revisit the capping issue. 16 CUSC has not provided any new information or arguments that warrant revisiting the Commission's carefully weighed action.

<sup>&</sup>lt;sup>11</sup> *Id.*, ¶12.

<sup>&</sup>lt;sup>12</sup> *Id.*, ¶130.

<sup>&</sup>lt;sup>13</sup> *Id.*, ¶12.

<sup>&</sup>lt;sup>14</sup> *Id.*, ¶132.

<sup>&</sup>lt;sup>15</sup> *Id.*, ¶131.

<sup>&</sup>lt;sup>16</sup> *Id.*, ¶133.

### IV. THE FCC SHOULD REJECT CUSC'S DEMAND FOR IMMEDIATE TERMINATION OF LTS

CUSC argues (pp. 9-10) that the Commission should terminate LTS "when ICLS funding becomes available," rather than phasing it out by mid-2003. Such a move would bypass the Commission's ongoing rulemaking consideration of whether to phase LTS out, about which parties are due to file comments on the date of this filing. CUSC reiterates the same arguments it made in the MAG proceeding, that keeping LTS results in "double recovery" and support for special access and now claims that LTS is unlawful implicit support.

CUSC's assertion that LTS results in double recovery is mistaken. The §54.901(a)(5) requirements in the Commission's rules for calculating ICLS expressly remove LTS from the residual that becomes ICLS. The support level is equal to the study area Common Line revenue requirement "minus" a list of exclusions that ends with

(5) Any Long Term Support for which the carrier is eligible or, if the carrier ceased participation in the [National Exchange Carrier Association] NECA common line pool after October 11, 2001, any Long Term Support for which the carrier would have been eligible if it had not ceased its participation in the pool.

Double counting is simply not a legitimate concern.

CUSC's suspicion (p.9) that LTS will subsidize special access rates is even more fanciful. LTS, like the new ICLS, is support for common line costs. Special access costs are recovered through a separate charge.<sup>17</sup>

Nor is CUSC correct that LTS is implicit support. The Commission revamped the LTS mechanism in 1997 (along with its other then-existing high cost mechanisms) to ensure that LTS support was both explicit and, whenever an ILEC is eligible to receive LTS, portable. Thus,

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<sup>&</sup>lt;sup>17</sup> See. §69.4 (b) (2) and (7).

 $<sup>^{18}</sup>$  Federal-State Joint Board on Universal Service, Report and Order, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd 8776,  $\P$ 6 (1997).

neither LTS nor ICLS is "embedded in ... access charges," let alone embedded in the "non-cost-based access charges" the *Comsat* case concerns.

Moreover, the Commission's decision to retain LTS at least until July 2003 rests on valid policy grounds. The Commission wanted to ensure the stability of membership in the NECA common line pool and preserve current risk sharing during the phase-out of the Carrier Common Line charge, ending the historical purpose of LTS. <sup>19</sup>

# V. THE COMMISSION SHOULD REJECT THE RCC COALITION'S REQUEST FOR RECONSIDERATION OF ITS PLAN TO SUBSIDIZE LEGITIMATE TRAFFIC SENSTIVE COST RECOVERY THROUGH UNIVERSAL SERVICE SUPPORT

The RCC Coalition offers no arguments in its Petition for Reconsideration of its so-called "Rural Consumer Choice Plan" that it has not already made repeatedly in previous comment and ex parte filings. The Coalition even notes some of these filings in its Petition (pp. 2-3, fn.4). The Commission rejected those arguments in the Access Charge Order and supported its decision with well-reasoned explanations.<sup>20</sup> The Commission should not allow the Coalition's thinly veiled threats of IXCs' jettisoning the statutorily-mandated geographic toll rate averaging requirement to cause it to reconsider a decision based on stale arguments.

The RCC Coalition argues unconvincingly (p. 7) that the difference between rural and non-rural traffic sensitive access rates should be supported explicitly through a universal service mechanism because §254 of the 1996 Act requires that subsidies be explicit. It asserts that the Commission acted on this basis when it converted implicit common line subsidies to explicit support. However, the Order acknowledged a significant difference between the Coalition's proposal and the shift of access revenues to explicit universal service support that was ultimately

<sup>&</sup>lt;sup>19</sup> Access Charge Order, ¶139.

<sup>&</sup>lt;sup>20</sup> *Ibid.*, ¶85-89.

adopted. While arguably "inefficient" rate *structures* may require conversion of some costs to explicit universal service support, the legitimately higher costs reflected in non-price cap carriers' per-minute rates for traffic sensitive costs do not.<sup>21</sup>

The reforms made in the Access Charge Order make great strides in reducing the disparity in access rates between price cap and non-price cap carriers that were caused by rate structure differences. There is no economic basis for further reducing traffic sensitive access charges to the below-cost level of \$.0095 that the RCC Coalition proposes. As the Commission acknowledged, there is no reasonable basis for equating the operating and economic characteristics of the non-price cap ILECs with those of the rural price cap ILECs subject to the CALLS Plan.<sup>22</sup> To adopt the Coalition's target rate would, as the Commission states, be inconsistent with principles of cost-based pricing and present the danger of distorting competition.<sup>23</sup> The Commission's approach to access reform accommodates the diversity present among ROR ILECs "by reallocating costs and removing implicit support to create more efficient rate structures, while allowing carriers to establish rates based on their own costs."24 Thus, the Order did not prescribe any target traffic sensitive access rate, including the Multi-Association Group's proposed \$.016 rate.<sup>25</sup> To adopt the RCC Plan now would overturn the non-prescriptive nature of the access charge regime promulgated by the Order, thereby creating further instability for non-price cap carriers just as they are beginning to adjust to these new rules.

<sup>&</sup>lt;sup>21</sup> *Id.*, ¶88.

<sup>&</sup>lt;sup>22</sup> *Id.*, ¶86.

<sup>&</sup>lt;sup>23</sup> *Id.*, ¶89.

<sup>&</sup>lt;sup>24</sup> *Id.*, ¶83.

<sup>&</sup>lt;sup>25</sup> *Id.*, ¶77.

In addition, the RCC Coalition's proposed traffic sensitive support mechanism would unnecessarily burden universal service contributors nationwide. Such a mechanism would violate §254(e) of the Act, which, as the Fifth Circuit ruled, requires that support be "sufficient" but not excessive. Furthermore, an explicit, portable support mechanism for traffic sensitive costs -- local switching support -- already applies to most non-price cap ILECs.

Finally, the RCC Coalition suggests (pp. 10-11) that the national long distance carriers will no longer be able to comply with their geographic rate averaging obligations absent the adoption of its plan. However, geographic rate averaging is not an option. It is a legal requirement for IXCs independent of access charge levels. Nor is the §254(b)(3) universal service principle of comparable services at comparable rates contingent on access charge levels. As the Commission notes, the measures it adopted in the Access Charge Order already significantly reduce the rate disparities between price cap and non-price cap carriers. The Commission must not allow the RCC Coalition's dire predictions to cause it to reduce access rates to below-cost levels.

## VI. THE COMMISSION SHOULD REJECT THE RCC COALITION'S PROPOSAL TO REASSIGN TO COMMON LINE TIC COSTS THAT WERE SHIFTED TO LOCAL SWITCHING

The Access Charge Order eliminated the TIC by spreading the costs recovered through the TIC over all of the access categories.<sup>27</sup> The RCC Coalition argues (p. 18) that the TIC costs reallocated to local switching should instead be reassigned to either common line alone, or to common line, transport and special access. The Coalition bases its argument on the CALLS Access Charge Reform Order adopted for the price cap carriers, in which remaining TIC costs

<sup>&</sup>lt;sup>26</sup> *Id.*, ¶88.

<sup>&</sup>lt;sup>27</sup> *Id.*, ¶98-104.

were eliminated by targeting X-factor reductions to the common line basket. While this may indeed be what occurred for the price cap carriers, it does not provide justification for the treatment of the actual costs of non-price cap ILECs. It makes no sense to base decisions for rate-of-return-regulated carriers -- with highly divergent operating characteristics from the price cap ILECs -- on the voluntary, non-cost based access rate changes that the price cap carriers agreed to in the CALLS proposal. Thus, under no circumstance should additional costs be allocated to common line.

VII. THE ASSOCIATIONS SUPPORT CENTURYTEL'S REQUEST TO POSTPONE REALLOCATING LINE-SIDE PORT AND TIC COSTS FOR ALL ILECS IN STATES THAT MIRROR INTERSTATE ACCESS CHARGES, ASSUMING THAT NECA CAN IMPLEMENT THE DELAY IN THE POOLS WITHOUT ADVERSELY AFFECTING POOL MEMBERS

CenturyTel seeks a delay in the implementation of the Access Charge Order's reallocation of line-side port and TIC costs in states that require carriers to "mirror" the interstate charges for their intrastate access charges. CenturyTel points out that mirroring the interstate charges will significantly reduce intrastate revenues, without any state universal service adjustment or even adequate time for states to consider and respond to the intrastate impacts. CenturyTel asks the Commission to provide states that mirror with six months to "study and, where necessary, adjust their own policies."

The Associations agree that the intrastate rate impacts on carriers and customers in states that mirror interstate access charges are a sound reason for concern, which the affected states should have sufficient time to digest and accommodate. It is the Association's understanding that, under the CenturyTel proposal, companies outside the pools would simply temporarily recalculate their rates pursuant to the rules in effect before the MAG reallocations. NECA would also have to recalculate the rates on that basis for companies in the pools. It would be essential

to match the timing of cost study information submitted by affected companies and NECA's cost adjustments. Careful coordination and synchronization would be required to ensure that there would not be any impact on the pools owing to the fact that the membership of the Common Line and Traffic Sensitive pools are not the same. The proper end result should be that no ILEC experiences any adverse effect from grant of the requested delay for mirroring states. Therefore, assuming that NECA confirms that it can do the necessary coordination and synchronization, the Associations support prompt adoption of the delay requested by CenturyTel for all mirroring states.

# VIII. THE COMMISSION SHOULD PROMPTLY OPEN A SEPARATE PROCEEDING TO RESOLVE THE CRUCIAL UNIVERSAL SERVICE ISSUES RELATED TO SUPPORT PORTABILITY RAISED BY SEVERAL PETITIONERS

NTCA and the Western Alliance each request reconsideration of the rules relating to the portability of the new ICLS mechanism.<sup>28</sup> They explain, for example, that the Commission's rules preclude proper enforcement of the Act's requirements (1) to restrict the use of support to the statute's intended purposes (§254(e)), (2) to limit support to "sufficient," not excessive, windfall levels (§254(e)), and (3) to prevent carriers from using non-competitive services to provide implicit subsidies for competitive services (§254(k)), as well as clashing with the Commission's own principle of "competitive neutrality." The South Dakota

Telecommunications Association similarly explains (pp. 6-9) that paying "portable" support to lower-cost wireless providers based on higher ILEC costs creates a "massive cross-subsidy."

<sup>&</sup>lt;sup>28</sup> See, generally NTCA Petition for Reconsideration and The Western Alliance Petition for Reconsideration.

<sup>&</sup>lt;sup>29</sup> The Commission added a principle of competitive neutrality to the list enacted by Congress in §254(b).

The Associations agree wholeheartedly that these are critical issues that need to be reviewed by the Commission.<sup>30</sup> However, the fundamental portability issues they raise extend well beyond the scope of this proceeding. In fact, their indictments of the current treatment of support paid to CETCs apply equally to all forms of high cost support, which are currently made portable with "no strings" and calculated on the basis of ILEC costs. Indeed, Commissioner Martin's separate statement voiced his concern with the broader Commission policy,

adopted long before this Order -- of using universal support as a means of creating "competition" in high cost areas. I am hesitant to subsidize multiple competitors to serve areas in which costs are prohibitively expensive for even one carrier. This policy may make it difficult for any one carrier to achieve the economies of scale necessary to serve all of the customers in a rural area, leading to inefficient and/or stranded investment and a ballooning universal service fund.

Commissioner Martin added that he is "committed to evaluating these issues" and will "remain receptive to making significant changes as we move forward."

Consequently, the Associations urge the Commission to open a separate proceeding in CC Docket No. 96-45 as soon as possible to reexamine the broad issue and remedy the detrimental consequences of the Commission's current portability policies. That proceeding can give the necessary attention to the problem of awarding windfall support to CETCs based on ILEC costs, without enforcing meaningful accountability and without even requiring the capture or addition of a single line by the CETC, much less a reduction in rates or improvement in service.

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<sup>&</sup>lt;sup>30</sup> In fact, NRTA, OPASTCO, and USTA have previously stated that providing CETCs with ILEC-based support in excess of their costs creates opportunities for regulatory arbitrage and the incentive to pursue inefficient competitive entry. It is also an unnecessary burden on the nation's ratepayers, who ultimately fund universal service support. For these reasons NRTA, OPASTCO, and USTA have recommended basing a CETC's universal service support on their own costs of providing the supported services. *See*, comments of NRTA and OPASTCO, and comments of USTA, filed July 30, 2001, in *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Further Notice of Proposed Rulemaking, 16 FCC Rcd 11244, 113-11327, ¶207-211 (2001).

### IX. CONCLUSION

The Commission should not be swayed by the baseless claims and stale arguments made by both CUSC and the RCC Coalition. The Commission thoroughly considered the proposals raised by both of these petitioners in the Access Charge Reform Order, and prudently reasoned against them. Allowing their recommendations to be adopted now would jeopardize the delicate balance the Commission has constructed among many highly complex issues and only serve to create greater uncertainty for ROR ILECs. The Commission should, however, adopt CenturyTel's request to postpone reallocating line-side port and TIC costs for ILECs operating in states that mirror interstate access charges. This assumes, of course, that NECA can implement the delay within the pools without adversely affecting pool members. Finally, with respect to the

ICLS portability issues raised by some petitioners, the Associations recommend that the Commission open a separate proceeding that addresses the numerous issues surrounding the portability of all the support mechanisms.

Respectfully submitted,

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February 14, 2002

### **CERTIFICATE OF SERVICE**

I, Alicia C. Reid, hereby certify that a copy of the joint comments by the National Rural Telecom Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, and the United States Telecom Association was sent on this, the 14<sup>th</sup> day of February, 2002 by first class United States mail, postage prepaid, to those listed on the attached sheet.

By: /s/ Alicia C. Reid Alicia C. Reid

#### SERVICE LIST

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